

STATE OF MINNESOTA  
OFFICE OF ADMINISTRATIVE HEARINGS  
FOR THE COMMISSIONER OF HEALTH

In the Matter of the  
License Application of  
Northfield Emergency  
Transportation, Northfield,  
Minnesota

FINDINGS OF FACT,  
CONCLUSIONS OF LAW  
AND RECOMMENDATION

The above-entitled matter came on for hearing before Administrative Law Judge Barbara L. Neilson at 1:00 p.m. on March 5, 1991, at the Northfield City Hall in Northfield, Minnesota. The record in this matter closed on March 27, 1991, the date of receipt of the last post-hearing submission from the Department of Health.

Jeffrey Ringlien, President of Northfield Emergency Transportation, Inc., 400 West Fifth Street, P.O. Box 489, Northfield, Minnesota 55057, appeared on behalf of Northfield Emergency Transportation, Inc. (hereinafter referred to as "NET" or "the Applicant"). There were no intervenors in this matter, and no one made any written or oral objection to the application.

This report is a recommendation, not a final decision. The Commissioner of Health will make the final decision after a review of the record and may adopt, reject or modify the Findings of Fact, Conclusions of Law and Recommendations contained herein. Pursuant to Minn. Stat. 14.61, the final decision of the Commissioner of Health shall not be made until this report has been made available to the parties to the proceedings for at least ten days. An opportunity must be afforded to each party adversely affected by this report to file exceptions and present arguments to the Commissioner of Health. Parties should contact Mary Jo O'Brien, Acting Commissioner of Health, 717 Delaware Street S.E., Minneapolis, Minnesota 55440, to ascertain the procedure for filing exceptions or presenting argument.

STATEMENT DE ISSUE

The issue in this proceeding is whether the Applicant's application to upgrade the type of services it provides from basic ambulance service to advanced ambulance service should be granted under the standards set forth in Minn. Stat. 182.802, subd. 3(g).

Based upon the record herein, the Administrative Law Judge makes the

following:

## FINDINGS OF FACT

### Background and Proceaural History

1. The Applicant is a for-profit corporation that has operated a basic ambulance service in a primary service area (PSA) surrounding the City of Northfield, Minnesota, since 1988. The prior owner operated the ambulance service from approximately 1958-1988. The Applicant currently provides basic ambulance service with variances permitting the use of an esophageal obturator airway, cardiac monitor/defibrillator, and intravenous infusions.

2. The PSA encompasses portions of Rice, Dakota, and Goodhue Counties. The Applicant does not actively serve Goodhue County, however. The Kenyon Ambulance Service responds to 911 calls in that area.

3. On or about December 10, 1990, the Applicant submitted an application for a new license to supply advanced ambulance service in the same PSA.

4. On January 14, 1991, Daniel J. McInerney, Jr., Acting Commissioner of Health, issued a Notice of Completed Application and Notice of and Order for Hearing setting a hearing in this matter for March 5, 1991. Notice of the hearing was published in the Hastings Star Gazette, the Faribault Daily News, and the January 21, 1991, issue of the State Register. Notice of the hearing was also served upon the Dakota County Board of County Commissioners; the Rice County Board of County Commissioners; the Dakota County Public Health Department; the Rice County CHS/PHN Service; the Hennepin County Health Service; the Southeastern Minnesota EMS Joint Powers Board; the Mayor of the City of Northfield; and ambulance services in Northfield, Faribault, New Prague, Kenyon, Apple Valley, Burnsville, Hastings, South St. Paul, West St. Paul, Cannon Falls, Minneapolis, and St. Paul.

### Description of the proposed Service

5. As mentioned above, the Applicant seeks to upgrade the type of service it provides from basic ambulance service to advanced ambulance service. It seeks to operate in the same PSA in which it presently operates.

6. The Applicant estimates that, if its application is granted, it will make 750 runs during the next year, including 240 advanced service runs, 400 basic service runs, 70 scheduled advanced service runs, and 40 scheduled basic service runs. It estimates that the average patient charge for an advanced service run will be \$350.00, and the average patient charge for a basic service run will be \$250.00. The Applicant projects total revenue and cash

contributions in the next year of \$271,000.00. This amount includes \$10,000.00 in non-operating revenue (subsidies, gifts, grants, contracts, interest, etc.). The Applicant estimates that its total annual expenses for the next calendar year will be \$263,434.00.

#### Relationship to Community Health Plans

7. The 1990 Dakota County Budget Program Description pertaining to the Emergency Medical Services Program, which is apparently appended to the 1990-91 Community Health Plan for Dakota County, identifies as its goals: (1) "optimal health for Dakota County residents;" and (2) "a coordinated EMS system in Dakota County." The document describes the existing problem as follows:

Four licensed ambulance providers and various police and fire agencies based in the County respond to emergency medical calls. The four providers responded to 4,975 calls in 1988 that required the transportation of the sick or injured to a medical facility. Traffic accidents with injuries accounted for 1,374 of the total calls. The majority of all emergency calls occur in densely populated municipalities and those with a higher percent of elderly population. The continued growth of the County population, increased industry, and the additional highways increase the potential of Dakota County citizens and other individuals to suffer a sudden illness or accidental injury. 100 Dakota County employees working in the Highway, Parks and Property Management Departments have frequent exposure to hazardous substances.

Budget Form 1a. None of the specific objectives identified in the Program Description pertain to the provision of advanced ambulance service by private entities.

8. The 1988-89 Rice County Community Health Service Plan and the 1990-91 Rice County Community Health Service Plan Update do not address the provision of emergency medical services in Rice County or discuss the need for basic ambulance services to upgrade to an advanced level. The 1990-91 Update does state that one of its goals is "[t]o decrease cardiac disease morbidity and mortality in Rice County." Update at 8.

9. Rice County has recently formed an EMS advisory committee on which Dr. David Larson, the Applicant's medical director, and Jeffrey Ringlien, one of the Applicant's owners, serve. Both Dr. Larson and Mr. Ringlien support having an advanced ambulance service in the Northfield area.

10. The 1990-91 Southeast Minnesota Emergency Medical Services Regional Plan does not directly address the need for basic ambulance services to upgrade to an advanced level. The Southeast Plan notes that "[i]t was . . . believed the Regional EMS Program should not usurp the authority/responsibility of the local communities in determining the type/level of emergency medical care needed," and further states that "[t]he local community will determine the appropriate level of emergency medical services which should be available in the community." Plan at 1. One problem identified in the Southeast Plan is "[t]o ensure patients have available appropriate level of care in the ambulance when being transported from one medical facility to another." The specific objective identified in conjunction with this problem is "[t]o support all patient transfers be made in accordance with MDH rules and regulations regarding the training level of person in attendance during transport." Plan at 21. Linda Horth, EMS Coordinator for the Southeast Region, informed the Applicant that the proposed upgrade in its services would help cut down on waiting time involved in the transfer of critical patients and would conform to the above-quoted provisions of the Plan relating to inter-hospital transfers.

11. The 1989-91 Metropolitan Regional EMS Grant Proposal also does not directly address the issue of ambulance services upgrading from basic

ambulance service to advanced ambulance service. The Proposal indicates that

there are forty ambulance providers in the region who are licensed to provide basic or advanced ambulance service, and states that the Proposal does not develop specific objectives for EMS transportation because this area "is addressed through each county's efforts and the efforts of providers." Proposal at 29-30. Cecelia Coughlin, EMS Coordinator for the Metropolitan Region, informed the Applicant that she felt the upgrade issue was best left up to the individual providers and the government agencies that would be covered by the upgrade.

#### Comments of Governing Bodies and Public Officials

12. Marvin L. Grundhoefer, Mayor of the City of Northfield, submitted a letter following the hearing in which he indicated that the City of Northfield supports the upgrade of the Applicant's license to an advanced ambulance service because it would provide better service to the citizens of the area.

13. Harold Vosejпка, Mayor of the City of Lonsdale, provided a letter following the hearing supporting the Applicant's application for an upgraded license. The Mayor pointed out in his letter that the City of Lonsdale is located fifteen miles from a hospital and that the upgrade would be very beneficial to the residents of his city.

14. Gene Kruse, Mayor of the City of Dundas, also provided a letter following the hearing stating that the upgrade would be a benefit for the people of Dundas and the surrounding area, and expressing the City's support for the upgraded license.

15. The Northfield Area Ambulance Association also submitted a letter in support of the Applicant's application for an upgraded license. Ralph Boyd, President of the Association, noted that the Association was "in favor of that change, and feel[s] that it will benefit the people in the town and the townships which we represent, and that Northfield Emergency Transportation serves." The Northfield Area Ambulance Association is a governmental entity with the ability to tax. It is responsible for reviewing the functions and operations of the Applicant's ambulance service. The Association is composed of representatives of township boards and city councils in the PSA. It includes representatives from the City of Northfield, the City of Lonsdale, the City of Dundas, and the townships that make up the PSA covered by the Applicant.

#### Deleterious Effects-from.Duglication of AmbulAnce Services

16. To the Applicant's knowledge, the only other basic ambulance service operating in its PSA is the Northfield Rescue Squad, and the only advanced service operating in its PSA is the Apple Valley, Lakeville, and Farmington (ALF) Ambulance Service. Although the Applicant is not certain, it does not believe that its PSA overlaps with North Ambulance Service in Faribault or Kenyon Ambulance Service in Goodhue County.

17. The Northfield Rescue Squad is a volunteer organization. By agreement between the Applicant and the Rescue Squad, the Applicant transports all patients in the portion of their PSAs which overlap unless the Applicant

is overloaded or there is a multiple-victim disaster situation. The Northfield Rescue Squad thus does not generally provide any transportation at all, but merely responds to 911 calls. Scott Murphy, Captain of the

Northfield Rescue Squad, provided a letter following the hearing indicating that the Northfield Rescue Squad believes that the upgrade in the Applicant's license will be very beneficial to the people that both the Applicant and the Northfield Rescue Squad serve. Captain Murphy indicated that the arrangement between the Northfield Rescue Squad and the Applicant with respect to the Applicant's transportation of patients is working very well, and stated that the Rescue Squad "cannot foresee any problem if N.E.T. would upgrade to an A.L.S. level."

18. The Applicant and ALF Ambulance Service apparently have overlapping service areas in portions of Eureka and Castlerock Townships in Dakota County. Kevin J. Raun, Ambulance Director of ALF Ambulance, provided a letter following the hearing indicating that the overlapping service areas handled by the Applicant and ALF Ambulance are being served without conflict or duplication of response, that the granting of an advanced ambulance license would be beneficial should ALF have to call upon the Applicant in a mutual aid situation, and that he "see[s] no detriment in the granting of an ALS license to NET."

19. No objections were made to the application by any ambulance service.

#### Estimated Effect on the Public Health

20. If the application is granted, the Applicant apparently would be the only provider of advanced ambulance services in the portion of its PSA which does not overlap with that of ALF Ambulance Service. The application thus would make advanced ambulance service available to persons who would not otherwise have such service available.

21. The Applicant's upgrading to an advanced level would provide individuals living in the area of the PSA which is presently not served by any other advanced service access to a higher level of emergency care before they reach a hospital emergency room. Upgrading to an advanced level would also permit advanced ambulance services with which the Applicant has mutual aid agreements to have available the aid of a service affording a level of care equal to theirs, if needed.

22. The Applicant's PSA is comprised largely of rural communities and small towns in Rice and Dakota Counties. Approximately 32% of the Applicant's calls are outside the City of Northfield. The total elapsed time from dispatch to hospital in such instances is approximately 20 minutes.

23. In its application, the Applicant indicates that the maximum response time from the base of its operation to the most distant point within the PSA is 20 minutes, and its average response time from the base of its operation to the most distant point within the PSA is five minutes. The maximum distance from its base of operation to the furthest point in its PSA is 15 miles.

24. In analyzing calls received by the Applicant over the first 30

months of its operation, the Applicant found that approximately 33% of the Applicant's calls would warrant a response by an advanced ambulance service. Chest pain, respiratory distress, or unknown ailments were involved in approximately 32% of its calls. Approximately 40-50% of the Applicant's calls

involved patients who were age 65 or older and were on Medicare, even though that age group comprises only 9.85% of the population of the city of Northfield. The incidence of cardiac problems, stroke, and respiratory problems in persons who are 65 years of age and over is almost 7 to 10 times higher than in people who are 45 to 65 years of age. Within the City of Northfield (where approximately 68% of the Applicant's calls originate), approximately 56% of the population falls within the age group of 5 to 24 years of age. The high proportion of school- and college-age children in Northfield results in a number of sports-related injuries as well as suicide attempts and alcohol and drug overdoses which require emergency response.

25. The sooner a cardiac arrest patient receives care at the advanced level the greater the chance that he or she will survive. If a cardiac arrest patient receives basic cardiac life support (CPR) care within 0 to 4 minutes and advanced cardiac life support care within 8 minutes, he or she will have a 43% chance of survival. If advanced cardiac life support care is not received until 16 minutes, the survival rates drops to 19%. If advanced cardiac life support care is not received until more than 16 minutes have elapsed, the survival rate decreases to 10%. Because a number of the Applicant's calls in its PSA are close in response time to the 16 minute timeframe, it would be beneficial for the Applicant to be able to provide patients with an advanced level of care before arriving at the hospital.

26. The provision of an advanced level of care to diabetics and asthmatics would also reduce the morbidity and mortality of those patients,

27. Approval of its application would permit advanced levels of airway management to be provided by the Applicant, e.g., endotracheal intubation, chest decompression, etc. These advanced skills would also improve the chances of the survival of the Applicant's trauma patients.

28. David M. Larson, M.D., of Family Physicians of Northfield (who is also the Applicant's medical director), supports the Applicant's effort to obtain an advanced ambulance license. Dr. Larson indicates in a letter provided with the application that he will continue to work very closely with the members of the ambulance service, and accepts responsibility for the quality of care provided by the drivers and attendants, including overseeing the training and orientation of personnel, establishing and reviewing operating procedures, and assisting in the development and operation of quality assurance mechanisms. He also states that he will work with the Northfield Hospital and other emergency physicians to provide on-line medical control.

29. Ninety five percent of the 60-100 individuals who responded to a survey published in the Northfield News and the Northfield shopper were in favor of the Applicant's upgrading to advanced ambulance service.

#### Benefit to Public- Health Versus Costs of the Proposed Service

30. The Applicant already has the necessary equipment to upgrade its ambulance service to an advanced level. It projects that it would incur additional training and salary costs in order to satisfy personnel

requirements. Should its application be granted, the Applicant plans to cover these increased costs by restructuring its charges for basic and advanced ambulance service. The Applicant projects a 32% increase in its basic

ambulance service rate (from \$190.00 to \$250.00) and anticipates that its base rate for advanced ambulance calls will be \$350.00. The Applicant plans to have separate base rates for basic and advanced ambulance service rather than one base rate because of concerns raised by several people in the community who felt that individuals who did not need advanced ambulance service should not have to pay for that level of care. The Applicant plans to increase the basic ambulance service rates because all of its staff responding to calls will be capable of providing an advanced level of service.

31. The increase in the Applicant's basic ambulance service rates will result in rates that are similar to those of other advanced ambulance services of similar size. For example, an ambulance service in Detroit Lakes charges \$225.00 for basic ambulance service and \$395.00 for advanced ambulance service, North Memorial in Faribault charges a flat amount of \$305.00 for all calls except scheduled basic ambulance service transfers, Gold Cross Ambulance charges \$200.00 for basic ambulance service and \$405.00 for advanced ambulance service, MED-1 in Grand Rapids charges \$125.00 for basic ambulance service and \$325.00 for advanced ambulance service, and ALF Ambulance Service in Apple Valley charges \$210.00 - \$235.00 for basic ambulance service and \$295.00-\$450.00 for advanced ambulance service.

32. The benefits of an advanced ambulance service in the Applicant's PSA include increased chances of patient survival, particularly with respect to patients in cardiac arrest, and improvement in patient assessment and treatment due to the advanced level of training of ambulance staff responding to calls.

33. If it had been authorized to provide advanced ambulance service, the Applicant projects that twelve of the twenty-eight cardiac patients it transported in 1990 could have survived, rather than the five that actually did survive when transported by its basic ambulance service.

Based upon the foregoing Findings of Fact, the Administrative Law Judge makes the following:

#### CONCLUSIONS

1. The Administrative Law Judge and the Commissioner of Health have jurisdiction in this matter pursuant to Minn. Stat. 144.50 and 144.802. The Notice of Hearing was proper in all respects and all procedural and substantive requirements of law and rule have been fulfilled.

2. Minn. Stat. 144.802, subd. 3(g) provides:

The administrative law judge shall review and comment upon the application and shall make written

recommendations as to its disposition to the commissioner within 90 days of receiving notice of the application. In making the recommendations, the Administrative Law Judge shall consider and make written comments as to whether the proposed service . . . is needed, based on consideration of the following factors:

- (1) the relationship of the proposed service . . . to the current community health plan approved by the commissioner under section 145.918;

(2) the recommendations or comments of the governing bodies of the counties and municipalities in which the service would be provided;

(3) the deleterious effects on the public health from duplication, if any, of ambulance services that would result from granting the license;

(4) the estimated effect of the proposed service..... on the public health;

(5) whether any benefit occurring to the public health would outweigh the costs associated with the proposed service . . . .

The administrative law judge shall recommend that the commissioner either grant or deny a license or recommend that a modified license be granted . . . .

3. The community health plans for Dakota and Rice County and the plan and budget proposal for the Southeast and Metropolitan Minnesota Emergency Medical Services Regions do not directly address the need for ambulance services to upgrade to an advanced level. The proposed advanced ambulance service is consistent with the goal identified in the Rice County Plan to decrease cardiac disease mortality as well as the objective identified in the Southeast Regional Plan encouraging that patient transfer be made in accordance with the rules and regulations of the Minnesota Department of Health regarding the training level of persons in attendance during transport. The provision of advanced ambulance service by the Applicant will enhance the provision of emergency medical services in Rice and Dakota Counties.

4. The Northfield Area Ambulance Association and the mayors of Northfield, Lonsdale, and Dundas support the application. No governing body of any municipality within the PSA filed any comments objecting to the application.

5. The public health will not suffer as a result of any duplication of ambulance services. The PSA to be served by the Applicant would overlap a portion of the PSA served by ALF Ambulance and the Northfield Rescue Squad. By agreement between these ambulance services, however, the PSA is presently being served without conflict or duplication of response, and such cooperation is likely to continue in the future.

6. The proposed advanced service will have a positive effect on the public health because it will provide the only advanced ambulance service that is currently available in a portion of the PSA. In addition, it will result in better quality care in the field and improved response in cardiac arrest, respiratory distress, trauma, and other medical emergencies. Granting the application will be of particular benefit to the public health with respect to emergencies occurring in the more geographically distant areas of the PSA.

7. The benefits accruing to the public health outweigh any likely costs associated with the proposed service. The Applicant already has the necessary

equipment to upgrade its ambulance service, and anticipates covering its additional personnel costs by imposing a fairly modest increase in its base rate for basic ambulance service and setting a higher base rate for advanced ambulance service.

8. The proposed advanced service is needed.

Based upon the foregoing Conclusions, the Administrative Law Judge makes the following:

#### RECOMMENDATION

IT IS HEREBY RESPECTFULLY RECOMMENDED that the Commissioner of Health grant the application of Northfield Emergency Transportation, Inc., to provide advanced ambulance service within the proposed primary service area.

Dated this 1 day of April, 1991.

BARBARA L. NEILSON  
Administrative Law Judge

Reported: Taped, not transcribed (tape no. 10,015).